

Umetco Minerals Corporation

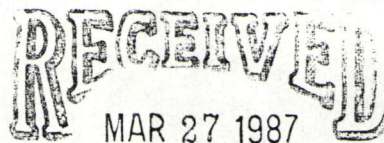
Frank Filos

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March 25, 1987



DIVISION OF
OIL, GAS & MINING

Mr. Lowell P. Braxton
Administrator
Minerals Resource Development and Reclamation Program
State of Utah
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Mr. Braxton:

Enclosed is the annual report for 1986 for the five permitted mining areas which Umetco Minerals Corporation controls in San Juan County, Utah.

I did not enclose maps of the mining areas for 1986, because all mines were on a standby basis for the whole year. No erosional problems occurred during the year. The Hecla and the Wilson-Silverbell mines are being kept dewatered. The 12,777 tons of ore which were stockpiled at the Hecla mine were shipped to the White Mesa mill at Blanding, Utah. The stockpile area was not reclaimed, because we hope to use it in the near future. We are working with the Department of Health on solving the mine discharge water problem at the Wilson-Silverbell mine. The plan is to construct a five acre evaporation pond. A copy of our submittals will be forwarded to you.

Please contact me if you or your staff have any questions.

Yours truly,

Niels B. Haubold
Niels B. Haubold
Manager of Mines

NBH/jac

Encl.